



DCUSA Invitation to Vote

DCP 228 'Revenue Matching in the CDCM' Implementation Date

This document invites DCUSA Parties to vote on the proposed implementation date of **1 April 2018** for DCP 228 '*Revenue Matching in the CDCM*'.

Votes should be submitted using the form provided as Attachment 4 by **Wednesday, 5 October 2016.**

1 OVERVIEW

- 1.1 DCP 228 *“Revenue Matching in the CDCM”* seeks to change the way revenue matching (scaling) is achieved within the CDCM so that the price differentials produced between the pre-scaled yardstick tariff unit rates are maintained in the post-scaled final tariff unit rates that are set to enable recovery of the DNO’s allowed revenue. The proposed DCP 228 solution is to remove the fixed £/kW/year adder currently applied at the transmission exit level, as detailed in paragraphs 92 to 93 of Schedule 16, and replace this with a fixed p/kWh applied to the calculated pre-scaled unit rates. The current CDCM does not apply scaling to generation tariffs and applies a floor price to demand tariffs of 0.000p/kWh. Under DCP 228 both of these rules will be maintained. The DCP 228 Change Report is provided as Attachment 1.
- 1.2 The Change Proposal (CP) was submitted to Ofgem for decision on 10 August 2015, with a recommendation from Parties to reject the proposal. The voting results are provided as Attachment 2. The proposed implementation date for the CP, as voted on by Parties, was 1 April 2017.
- 1.3 On 8 September 2016 Ofgem published its decision to approve the proposal but asked that a revised implementation date be submitted. Ofgem’s decision letter is provided as Attachment 3.
- 1.4 The DCUSA Panel discussed Ofgem’s decision and agreed to recommend an implementation date of 1 April 2018. Parties are invited to vote on this proposed implementation date using the voting form provided as Attachment 4.

2 PROPOSED IMPLEMENTATION DATE

- 2.1 The proposed implementation date for DCP 228 that was voted on by DCUSA Parties is no longer achievable as the tariffs that take effect from 1 April 2017 have already been published.
- 2.2 Ofgem noted in its letter that the earliest possible date for implementation is 1 April 2018. Ofgem explain that whilst it recognises that some market participants have raised

concerns about this date, it expects implementation to occur as soon as possible. Therefore, any postponement in the implementation date beyond 1 April 2018 would need to be supported by strong evidence and reasoning.

- 2.3 The DCUSA Panel discussed Ofgem's decision letter and agreed to recommend an implementation date of 1 April 2018 to be voted on by DCUSA Parties.

3 NEXT STEPS

- 3.1 DCUSA Parties are invited to consider the proposed implementation date and submit their votes using the voting form provided as Attachment 4 to DCUSA@electralink.co.uk by **Wednesday, 5 October 2016**.

- 3.2 The vote result will be issued to Ofgem who will make a final determination on the implementation date for DCP 228. The timetable for the progression of the CP is as follows

Activity	Date
Proposed Implementation Date issued to Parties for voting	21 September 2016
Voting Closes (two week voting period)	5 October 2016
Change Declaration Issued	7 October 2016
Ofgem Decision Received	11 November 2016

- 3.3 If you have any questions about this paper or the DCUSA Change Process, please contact the DCUSA Helpdesk by email DCUSA@electralink.co.uk to or telephone 020 7432 3011.

4 ATTACHMENTS

- Attachment 1 – DCP 228 Change Report
- Attachment 2 – DCP 228 Change Declaration
- Attachment 3 – Ofgem DCP 228 Decision Letter
- Attachment 4 – Response Form